

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re:	§	Chapter 11
	§	
W.R. GRACE & CO., et al.,	§	Jointly Administered
	§	Case No. 01-01139 (JKF)
Debtors.	§	
	§	

**FEE AUDITOR'S FINAL REPORT REGARDING
FEE APPLICATION OF FTI POLICANO & MANZO
FOR THE NINTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Ninth Interim Quarterly Fee Application of FTI Policano & Manzo (the "Application").

BACKGROUND

1. FTI Policano & Manzo ("FTIPM") was retained as financial advisers to the official committee of unsecured creditors. In the Application, FTIPM seeks approval of fees totaling **\$172,865.00** and costs totaling \$1,389.90 for its services from April 1, 2003, through June 30, 2003.
2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application, for compliance with 11 U.S.C. 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States

Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We served on FTIPM an initial report, but as we had no specific issues or objections regarding the Application, we informed FTIPM that it was not necessary to respond to our initial report.

DISCUSSION

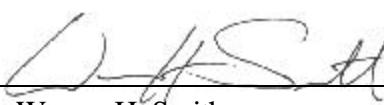
General Issues

3. The only issue we raised in our initial report was that noted that Ordway often failed to provide adequate detail in his time entries. Thus we asked FTIPM to advise this professional to provide more detail when recording his time in the future.

CONCLUSION

4. Thus we recommend approval of fees totaling **\$172,865.00** and costs totaling \$1,389.90 for FTIPM's services from April 1, 2003, through June 30, 2003.

WARREN H. SMITH & ASSOCIATES, P.C.

By: 

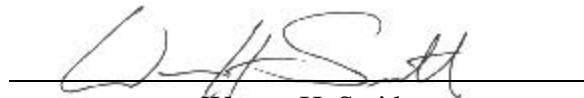
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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 26th day of August, 2003.



Warren H. Smith

SERVICE LIST
Notice Parties

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